

A special meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, September 9, 1926 at 10:00 a.m.

PRESENT: Governor Crissinger
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Cunningham
Mr. McIntosh
Mr. Eddy, Secretary
Mr. McClelland, Asst. Secretary
Mr. Wyatt, General Counsel
Mr. Vest, Asst. Counsel

The meeting was held in accordance with the resolution adopted by the Federal Reserve Board on June 9, 1926, directing Mr. Joseph L. Campbell, Deputy Governor of the Federal Reserve Bank of Atlanta, to appear before the Board on June 16th to show cause why he should not be removed from office, pursuant to the provisions of Section 11 (f) of the Federal Reserve Act. Several postponements of the hearing have occurred, until at the meeting of the Board's Executive Committee on August 24th this date was fixed.

In addition to Mr. Campbell, and his Counsel, Mr. W. S. Howard, there were also present Messrs. E. R. Black, G. G. Ware and E. C. Melvin, directors of the Federal Reserve Bank of Atlanta and members of a Special Investigating Committee appointed by that Board, who, after a conference with the Federal Reserve Board on June 16, 1926, were invited to sit with the Board in this hearing.

There was also present Mr. T. A. Embrey, a director of the Nashville Branch of the Federal Reserve Bank of Atlanta, who during the hearing was introduced as a witness for Mr. Campbell.

A stenographic report was made of the proceedings, which report is made a part of the records of the Federal Reserve Board.

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At 1:10 p.m. the meeting recessed and reconvened at 2:30 p.m. attended by all parties present at the morning session with the exception of Mr. Vest, Assistant Counsel of the Board.

At about 3:40 p.m., Messrs. Campbell, Howard, Black, Melvin, Ware and Embrey (together with the official stenographer) withdrew from the room and the Board went into regular session to consider a request made by Mr. Black that the Committee of the Federal Reserve Bank of Atlanta be furnished the information upon which the Board is proceeding against Mr. Campbell. Mr. Black based his request upon statements made by certain members of the Board at the Conference with the Atlanta Committee on June 16, 1926.

Mr. Wyatt, the Board's General Counsel, submitted copies of various documents in the Board's files which contain the information upon which the Board is proceeding against Mr. Campbell.

Thereupon ensued a discussion as to whether or not the information should be furnished to the Committee and to Mr. Campbell, during which members of the Board expressed individual opinions to the effect that the statements made at the June 16th conference constituted an implied obligation on the Board to furnish the information, and others expressed the opinion that the documents submitted by the Board's Counsel should not be furnished except in confidence.

Mr. Hamlin stated for the record that while he recognized that the Federal Reserve Act did not require the Federal Reserve Board to furnish information upon which it might base removal proceedings, he himself would not vote for the removal of any Federal Reserve bank official unless that official had first been fully acquainted with the charges against him and been given an opportunity to answer same.

Following the discussion, Mr. Black was invited back into the meeting, and in the presence of the official stenographer, discussed with the members of the Board his request, the reasons therefor, and the use which would be made of the information desired if furnished to the Committee, following which both he and the stenographer again retired from the room.

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After further discussion of Mr. Black's request, Mr. Miller suggested that if the Board decided to furnish the information desired to the Atlanta Committee and Mr. Campbell, it be given them with a statement, which after consideration was revised to read as follows:

"With respect to the request which Mr. Black has made on behalf of the investigating committee of the Federal Reserve Bank of Atlanta in the case of Mr. Joseph L. Campbell, Deputy Governor of that bank, for the information on which the Board is proceeding against Mr. Campbell, it is the opinion of the Board that there is nothing in the Federal Reserve Act that requires that the Board should furnish the information upon which it may reach the conclusion that an officer of a Federal Reserve Bank should be removed. The law requires only that the Board in making a removal shall state the cause of removal. It is the opinion of the Board that if it were to establish the practice of furnishing the information upon which it may reach the conclusion that an officer should be removed, it would result in a serious embarrassment of the power of the Board in a matter in which the Federal Reserve Act intended that the Board should be free to use its best judgment.

"At the same time, the Board recognizes that an implied obligation to furnish the information in the Campbell case to the investigating committee of the Federal Reserve Bank of Atlanta and to Mr. Campbell may fairly be said to have grown out of statements made by members of the Board at the June 16th conference, to which Mr. Black referred at the hearing yesterday afternoon.

"In view of the fact that the Federal Reserve Bank of Atlanta has appointed a committee to investigate the conduct of Mr. Campbell, the Board is willing to permit the investigating committee and Mr. Campbell to examine the documents containing the information on which the Board is proceeding, with the understanding that the committee and Mr. Campbell will agree to regard and treat the documents and information contained therein as confidential and privileged and to be used only in connection with the investigation being conducted by the committee and any statements which Mr. Campbell may submit to said committee."

During the discussion of the above, Mr. McIntosh left the room.

At the conclusion of the discussion, Mr. Hamlin moved that a meeting of the Board be held tomorrow

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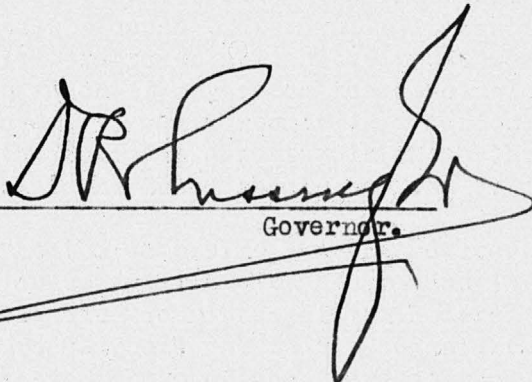
morning at 10:30 a.m., attended by the Atlanta Committee, Mr. Campbell and his Counsel, and that a statement along the lines of the above, with such minor revisions as may be suggested by the Governor, be read by the Governor, and that if the conditions set forth in the statement were accepted by the Atlanta Committee and Mr. Campbell, they be furnished with the information upon which the Board is proceeding against Mr. Campbell.

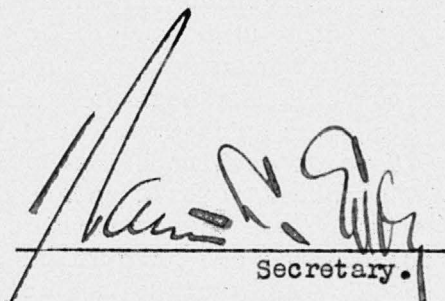
Mr. Hamlin's motion being put by the Chair, was carried, Mr. Miller not voting.

It was then voted that before the meeting at 10:30 tomorrow morning, the Board should meet in regular session to consider any revisions of the above statement which might be suggested by the Governor.

The meeting adjourned at 5:55 p.m.

Approved:


Governor.


Secretary.